

EMPLOYEE RECIPROCITY, MANAGEMENT PHILOSOPHY: GIFT EXCHANGE AND ECONOMIC RESTRUCTURING IN POLAND

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Not so long ago in Eastern Europe, the worst curse you could put on someone was "A Hundred Years of Socialism Without Any Connections!" "Connections," or personalized ties which were forged and maintained through the reciprocal exchange of gifts and information, were the social pillar on which state socialism rested. They created hierarchy and horizontal cohesion, kept the state socialist economy afloat by "filling the gaps" left by the official economy, and, at the same time, weakened the political legitimacy and economic stability of the Party-State. The advent of capitalism was supposed to change all that. Rather than having to curry favors with higher-ups with presents, or having to use networks of one's friends and relations to obtain goods and services, the logic of the market was supposed to make the economy function on impersonal, more "rational" terms. Merit, quality, cost-benefit ratios and profitability were supposed to be the principles on which jobs, information, goods and services were allocated—not social networks and the exchange of favors. The "rationality" that marketization promised was premised on the separation of public economic activity and private social relationships.

Of course, as recent events in Russia have made absolutely clear, the worst curse you could put on somebody now is "A Hundred Years of Capitalism Without Any Connections!" The influx of capitalism in Eastern Europe has not meant that the economy functions purely on the basis of impersonal market-based relations. To paraphrase David Stark, Eastern Europe has not gone from plan to market—at least not entirely in the sense that Westerners might recognize it—but has made the transition from "plan to clan." Personalistic exchange relationships are a pervasive feature of the postsocialist order. Whether the problem is discussed under the headings of "mafia," "corruption," and "bribery," or under the more benevolent terms of "connections," "social circles," or "acquaintanceship," it is clear that these complex webs of social relations are profoundly shaping the new economic, social, and political orders.

I would like to dredge up the old anthropological trope of *gift exchange* to make sense of the strange mixes of plan, clan and market in Eastern Europe. I use the term "gift" here not just to refer to ostensibly altruistic gifts, like birthday presents, but to talk about reciprocal exchanges in the Maussian sense. The gifts exchanged can be things, but also money, information, or opportunity. What matters is that the exchange takes place through a personalistic relation, and that it is performed with the expectation of future reciprocity and an enduring social relationship. One of the advantages of using a rather neutral term like gift exchange is that it helps me to take postsocialism not as a "transition" phase but as a sui generis socio-economic arrangement. Rather than seeing personalistic "gift exchange" relationships as either a holdover from socialism or a perversion of capitalism, I think it is useful to focus on exchange networks as a way to examine the way postsocialist economies operate, the kinds of social realities they engender and are conditioned by, and the way they limit the possibilities for change in the region. I believe that exchange relationships are mobilized by people who stand to lose a great deal by the influx of global capital and its technologies—not just by former apparachiks or the new rich, but by people from all economic strata, who use them to blunt or transform the effects of capitalism. Focusing on gift exchanges, then, is a way to focus on the interrelationship of Western capitalist management and economic technologies and the still-pervasive webs of connections and exchange.

The second point I will make today is that exchange relationships and expectations of reciprocity are quite often articulated through concepts of gender. I discovered this during the course of my fieldwork in the Alima-Gerber baby food factory in Rzeszow, Poland. Alima-Gerber is a formerly state-owned enterprise that was one of the first Polish firms to be privatized by a multinational corporation (in fact, both Alima and Gerber are now subsidiaries of the Swiss pharmaceutical giant, Novartis). As one of the "test cases" for Poland's integration into the world economy, Alima-Gerber was one of the first firms to undergo extensive restructuring and dramatic changes in the way that products were produced and people were managed.

One of those changes appeared, at first, to be quite trivial. During the many years that the company was a state-owned enterprise, International Women's Day was always celebrated on the shop floor. The company's managers offered flowers or candy, and often more costly gifts like tablecloths

or cloth napkins, to the female workers who made up the majority of the firm's employees. The gifts were meant to be symbolic, rather than particularly valuable. While Women's Day was supposed to be an important part of the socialist project of liberating women by giving them paid work outside the home, the presents and ceremonies soon became a symbolic acknowledgement of the displacement of women's labor from the home (where traditional ideology suggests it should be) to the factory.

In 1995, my first Women's Day on the shop floor, changing traditions led to conflict and hard feelings. Along with the assistant to the director of production (a woman), I suggested that the director (a man) remember the holiday by giving shop floor workers flowers or candy. His assistant and I believed that a display of gratitude might smooth over some of the hard feelings that had been raised in the ongoing labor negotiations. At first, he agreed. A few days later, however, he changed his mind. Like many other men I talked to, he said that Women's Day was a Communist holiday, and he had no intention of upholding it now. He later unbent slightly: his assistant, along with several other of the (female) secretaries, arranged coffee and cakes for some of the female employees—but only for the women who were managers under his supervision. Of the women on the shop floor, only those employees who were division supervisors or shop masters were invited. Lower ranking women, from shop forewoman to manual laborer, were neither invited nor recognized in any other way.

When Stasia, a 17 year veteran of the company who ran the labelling machine, heard about this, she was infuriated. "Well! I guess we're not women! Right, we're not women, we're just niggers! We're just slaves!" This switch from gender categories to highly loaded and negative racial ones indicated her firm belief that by refusing to recognize her *gender*, the firm was refusing to recognize that she was a *person*. In her (racist) lexicon, "niggers" and "slaves" are unpersons, human beings used to provide power, like draft animals. Rather than seeing the proper relation between the firm and its employees as the straightforward purchase of labor power—as one might purchase a slave's labor or an animal's—Stasia wants a relationship between the firm and its employees that is based on an enduring relation of "caring." For her, as for many other employees, that relationship is constituted through the reciprocal exchange of gifts between persons, including the firm and its managers. The contrast is like the one between wage labor and vasselage: rather than allowing herself to be constructed as alienable labor, Stasia demands that her superiors "care" for her in exchange for her labor, as a lord might have

cared for his vassals. This is resistance, of a sort: although Stasia and the other shop floor workers do not struggle against their subordination, they struggle mightily to determine the kind of subordination they are subjected to. Demands for reciprocity and gift exchange are an important element of that struggle.

The squabbles over gifts for Women's Day may seem inconsequential, but they are part of a larger phenomenon. Not only do shop floor workers use ideas about gender and reciprocity to determine hierarchies within the firm, they also use gender and kin terms to think about their firm's new place in the global economy, and to conceptualize their own position within the international division of labor. Not surprisingly, they use ideas about reciprocity and gift exchange—phrased in terms of kinship and gender—to talk about the obligations they have to the multinational and that it should have to them.

Employees' reactions to Gerber's purchase of Alima in 1992 were an example of that. When the acquisition was announced, employees and the press discussed it not as a sale, but as a romantic relationship. Headlines in national newspapers announced "the marriage of Alima and Gerber." Using the marriage metaphor, the press described the privatization as a union between a poor but beautiful Polish bride and a rich, older, American husband. They emphasized what both sides brought to the marriage: Alima brought its years of experience in quality production and a highly-skilled workforce, and Gerber brought technology, access to world markets, and most importantly, money. Like a bride price to the bride's father, Gerber brought millions of dollars to the state treasury. Gerber promised to invest millions more in "setting up house." One national paper even used the metaphor of a personal ad to report on the privatization:

She: About 40 years old. Hard working and enterprising. In 1968 she decided to start producing baby food, which was later known all over Poland as Bobo Frut...Since 1980, in spite of the economic situation she invested a lot in her own development. Thanks to that, she was able to produce 25,000 tons of tasty baby food....

He: 70 years old. Very rich. A world leader in production of baby food, clothes and baby care products. He supplies 70% of the US market. He dreams of a similar success in Europe. He came to the conclusion that this goal could be achieved with the help of his enterprising partner...

It is possible that Alima-Gerber will be as powerful in Europe as its shareholder in the US. We can only wish them a prosperous hundred years [a traditional wedding toast, ECD]. Those who know life say that marriages of convenience lack the beauty of love, but they are also much more stable. The partners know what to expect from one another and they disregard details which might lead to conflicts in a more emotional relationship (Rychlewski 1992).

The marriage metaphor was strengthened when two companies decided to celebrate their new relationship. A huge warehouse at Alima-Gerber in Rzeszów was cleared out and decorated. All the employees, along with government officials and Gerber personnel, were invited to show up in their finest attire. On the appointed day, when the tables were set and the warehouse transformed into a banquet hall, Al Piergallini, the CEO of Gerber, arrived in a chartered Tupolov jet . With him, he brought waiters and chefs from the prestigious Marriott hotel in Warsaw, which had already become the symbol of Western capitalism in Poland. The Marriott staff rolled out carts of sumptuous food. There were trays upon trays of fancy sandwiches, whole salmons, beautifully arranged cold cuts, and gorgeous bite-sized hors-d'oeuvres. As each guest arrived, he or she was given a glass of champagne to toast the merger. A videographer roamed the room, filming the party. When it came time for the ceremonies, Piergallini and Potocka-Bielecka, the presidents of the two firms, gave speeches and exchanged gifts. Alima presented Gerber with a large crystal vase. Gerber, slightly missing the metaphor, presented Alima with a crystal apple, a symbol of fruit production. The party looked just like a *wesele*, the traditional Polish wedding banquet. The comely Polish bride had snared a rich and powerful husband, one who could fly in and out in a chartered jet and transport magnificent banquets as if by magic. With the exchange of the crystal gifts, the deal was sealed, symbolically as well as legally.

Because privatization was a totally new phenomenon (Alima being one of the first handful of companies privatized in Poland), it was complex and difficult for employees to understand. What would the ramifications of privatization be for them and for their families? Not only was the marriage metaphor a way of making an incomprehensible and uncertain situation more understandable, it was a strategy for binding Gerber into an enduring relationship which entailed specific obligations. In this sense, kinship terminology was not a "leftover" or a relic of tradition, but a cultural resource actively deployed in the present. For example, when Gerber gave company stock to each employee in accordance with the deal it had negotiated with the Ministry of Privatization, it brought the marriage to the personal as well as the institutional level. It was as if, through the gift, Gerber told employees "with this stock certificate, I thee wed." Along with the eighteen month moratorium on layoffs and changes in agricultural contracts, this calmed employees' fears that Alima would be liquidated by Gerber. For employees, the crystal gifts sealed an enduring relationship between Alima and Gerber and therefore ruled out the possibility that the company would be closed or sold to another owner. They believed that the stocks sealed a relationship between employees and the firm. This marital relationship was in no way damaged when Gerber offered to buy back the stock at an increased value: it merely transformed the stocks into money, which could immediately be converted into useful household objects. In this way, Gerber-the-husband was merely investing in the workers' homes, much as it was doing in the factory-home. Workers also used the marital metaphor to assert that they came as active partners to the corporate union, rather than being sold like animals or slaves or machinery.

Although the marital metaphor implied partnership and union rather than sale, it did not preclude hierarchy. Employees believed Gerber had the right to change the plant or AG's corporate strategy, just as the husband in a traditional Polish patriarchal family has the right to make decisions about the wife's actions and about the family's strategy. But in a traditional marriage, the couple's resources should be pooled and used to meet the family's needs without individual calculation on the part of either partner, and the husband must insure that the wife is provided for—in essence, marital reciprocity. When Gerber invested \$25 million in the factory, it definitely seemed as if Gerber was meeting its husbandly obligations. Husband Gerber made a decision about what was right for the couple, and then gave freely of his money in order to provide for the couple's needs. This was accepted

as a matter of course by employees, who even found it a strong sign that the relationship would be an enduring one.

The problem in all of this metaphorizing of the Alima-Gerber relationship was that although many Alima employees understood the relationship as a marriage, Gerber and its managers had no idea that this metaphor was at work. In their minds, the privatization was a purchase and further investments were part of a business deal, not contributions to a marriage. Since Gerber officials had never been to a Polish wedding, they completely missed the symbolism of the privatization banquet. While they acted in a way that was symbolically interpretable to Poles, they did it without realizing the cultural context of their actions. The same was true of the stocks: although Gerber had to give 40% of the stocks to employees at preferable prices under the terms of the privatization law of 1991, they voluntarily gave employees the money to purchase the shares. Gerber officials, especially Piergallini, saw this action in a completely different context than did Polish employees. By helping employees purchase stocks, they saw themselves as making employees into *owners*, not wives. Placing this action into the context of American management jargon, Gerber officials believed that employee-stockholders would "take ownership" of their work and their actions, calculating the effects of their labor in terms of increases in the values of their shares and therefore in terms of their own financial benefit. The stocks were supposed to be "motivating," because they would tie individual action to concrete monetary rewards.

Gerber officials imagined that "taking ownership" would not only encourage Polish employees to work harder and increase their productivity (thereby avoiding the Communist curse of lazy, unproductive workers), but also to take individual responsibility for the production process. Since the Americans believed low productivity, lack of individual responsibility and a dearth of initiative led to the economic collapse of communism, they thought getting employees to "take ownership" would rectify some of the basic flaws in the system as it existed in the firm. This, of course, assumed that Polish employees were individuals who assessed the value of labor strictly in terms of money, who constantly carried out cost/benefit analyses in terms of their own personal gain, and who could be motivated to act independently of their social groups by the "carrot" of an increase in stock price. All of these were assumptions about human nature made on the basis of American cultural values, habits,

and social institutions (like stock markets), none of which necessarily applied in the Polish context. It soon became clear that employee stock ownership did not create competitive individuals, but instead allowed employees to assert that their "ownership" entitled them to a voice in management decisions similar to the one a wife has to influence a husband's decisions in the home. Gerber responded by quickly buying up the shares so that it owned 98% of the company.

The problem came when Gerber had to face its own problems back in the U.S., and so stopped investing heavily in Alima. Unaware of Gerber's own problems, AG employees saw the slowdown in investments and the new employee layoffs as a betrayal of the commitments Gerber had made at the wedding. This feeling became more intense when Gerber announced its own sale to Novartis. Having promised investments, job security, and a radiant future based on global exports, Gerber was now abandoning its Polish bride and running after other, richer partners. Anna, a baby food processor, scoffed, "If Gerber was a husband, he was not a very good one. He's left his Polish bride and gone off with a Swiss whore!" The appearance of Gerber's "affair" and betrayal was made even stronger when it was revealed that Novartis had no idea that AG even existed until after it had purchased Gerber. Employees were deeply worried by this. They began, once again, to talk about the possibility that Alima might be sold or closed. In doing so, they had to reconceptualize the institutional relationships between the two firms: now, instead of being a wife, Alima was property that could be alienated or disposed of as the owner saw fit. This was a kind of subordination with very different implications from that implied by the marriage metaphor.

Gender and kin metaphors are compact symbols which index a whole set of relations and constructions of personhood and move them into the workplace. By using them, employees argue that the value of labor is not determined separately from the value of the person who labors, and that the value of the person who labors is not determined separate from the multiple social contexts in which he or she exists. AG shop floor workers use gender and kinship terms to construct themselves as socially embedded and their labor as a valuable part of a socially embedded person. In doing so, they are refuting some of the central tenets of Western capitalism: that labor is fully alienable and fully compensated by the wage, and that the relationship between employers and employees is contractual and can be terminated, rather than social and enduring. Ideas about reciprocity and gift exchange are

central to this argument. As Mauss (1950) pointed out for all gifts, the gift of labor lives on as a part of the giver contained in the person of the recipient. The enduring relations that this produces are not mere by-products, but an essential part of the construction of persons, power relations, and the economy.

The problem, post-privatization, is that the new players in this baby-food kula do not know the rules of the game. The sale of Gerber to Novartis, a huge multinational corporation makes this problem increasingly acute. Those in contact with Novartis feel that Novartis cares only for profits, and not for the social relationships it has with its customers and employees. Beata, an administrative assistant who deals with Novartis every day, once told me,

You can say what you want about Gerber. Sure, they made a lot of mistakes, but we could get along with them. We were friends. They cared about quality, they cared about babies, and so if something was wrong, they'd just tell you straight out and you could fix it. Novartis is different. They do not give a damn about the fact that they're feeding children. All they care about is money, money, money. That's what these big corporations are like, all they really care about is profit. Their philosophy is, 'if it is not illegal, we can do it' and to hell with thinking about whether it is moral or ethical or the right thing to do or good for people, as long as they get money for it. Look at some of the things they've done with their pharmaceuticals! I tell you, there have to be some limits. Nobody should have that much money or that much power.

Beata asserts that Novartis cannot care, because they do not think of use values—e.g. the fact that children eat baby food. She believes that as a huge and distant multinational corporation, Novartis does not "care" for its workers or customers—it merely calculates profit. She feels that somehow this is immoral and wrong. It certainly is a change from the old Alima, which "cared" for both babies and workers, and Gerber, which at least "cared" for babies. Novartis, she thinks, "cares" for neither, because it is caught up in the capitalist drive for profit. Surely, Novartis managers, who are separated from shop floor workers by at least seven layers of hierarchy, are in no position to "know" or "care for" them, at least not in the intensely personal sense that is mediated by kin metaphors and gift exchanges.

The complaints, disappointments, reconceptualizations and attempts to reconfigure relationships that I have described here may seem inconsequential, but they illustrate ways of perceiving the social and economic changes in Eastern Europe that have had very real effects. Alima employees' feelings about having been "sold" to Gerber, instead of being treated as "wives" or equal partners in the transformation of the company were directly translated into policy. As a result of the negative publicity surrounding the Alima privatization, the Polish ministry of privatization stopped emphasizing trade sale privatizations and foreign direct investment. At a more general level, the sentiments that informed Alima employees' complaints about the transformation of their enterprise were echoed among the general population. This, I think, is one explanation for why post-Communist parties in Eastern Europe have come back into power and that many aspects of the socialist system seem to have reproduced themselves. Just as Alima workers prefer to be subordinated in "vasselage" relationships that are mediated by gift exchange rather than being subjected to market rationality, many Poles have decided that it is preferable to be taken advantage of by the post-Communist parties and *entreprachiks* that they do know rather than the neo-liberals that they do not. (As Lech Walesa once aptly put it, "if I have cholera already, why would I go out and get the plague?") In Russia, the same relationships of vasselage have created their own, distinct social groupings: political suzerainties run by mafia warlords. It's also worth noting that when "vasselage" relationships are created through the use of ideas about gender and kinship, as they often are in Poland, they reinforce yet another form of subordination: patriarchy.

It is ironic that many of the people who complain the most bitterly about corruption are the same ones who create connections with higher-ups by giving them gifts, and then trade in on those connections to get things that others cannot obtain. From the patient who gives the doctor a bottle of French cognac so that he can jump the queue for an operation, to the worker who gives her boss chocolates in the hope that their "friendship" will protect her from being laid off, to the companies that arrange to have Polish government officials come to Paris or the U.S. on "fact-finding tours," people use gift exchange and reciprocity to blunt the effects of market economy and market discipline. If we want to understand the trajectory of change in Eastern Europe, it will be increasingly important that we

do not write these forms of reciprocity off as irrational deviations from market logic, but that we understand them and their relationship to social and economic change.